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September 6, 2001

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EXECUTIVE SECRETARIAT

VIA HAND DELIVERY

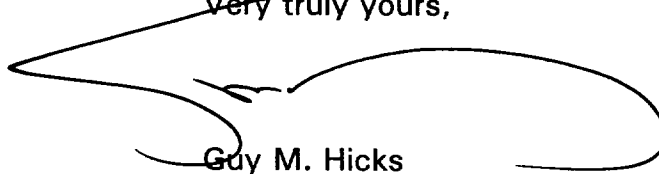
David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Petition of US LEC of Tennessee, Inc. to Enforce Interconnection Agreement*
Docket No. 01-00726

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of BellSouth's Answer. A copy is being provided to counsel of record.

Very truly yours,



Guy M. Hicks

GMH:ch
Enclosure

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee**

In Re: *Petition of US LEC of Tennessee, Inc. to Enforce Interconnection Agreement*

Docket No. 01-00726

ANSWER OF BELL SOUTH TELECOMMUNICATIONS, INC.

BellSouth Telecommunications, Inc. ("BellSouth") files its Answer to the Petition of US LEC of Tennessee, Inc. ("US LEC"), and says:

INTRODUCTION

On June 30, 1999, US LEC of Tennessee, Inc. ("US LEC") opted into an Interconnection Agreement between BellSouth and Intermedia Communications, Inc. ("Intermedia") pursuant to the opt-in provisions of §252(i) of the Telecommunications Act of 1996 ("1996 Act").¹ The Tennessee Regulatory Authority ("Authority") approved the US LEC opt-in Interconnection Agreement ("US LEC Agreement") on July 27, 1999. The US LEC Agreement expired on December 31, 1999.

In its Petition, US LEC seeks a ruling that dial-up access to the Internet through an Internet Service Provider ("ISP-bound traffic") should qualify for reciprocal compensation under the terms of the US LEC Agreement. The Authority should deny US LEC's claim for relief for three reasons: (1) ISP-bound traffic is interstate information access traffic that does not qualify for reciprocal

compensation under the terms of the US LEC Agreement; and, (2) at the time US LEC opted into the Intermedia Interconnection Agreement, US LEC was well aware of BellSouth's position that reciprocal compensation was not due for ISP-bound traffic under the terms of the Intermedia Interconnection Agreement; (3) at the time US LEC opted into the Intermedia Interconnection Agreement, the law of the land was clear that ISP-bound traffic does not originate and terminate in the same local calling area, a prerequisite to entitlement to reciprocal compensation under the terms of the US LEC Agreement; and (4) the Authority no longer has subject matter jurisdiction over compensation for ISP-bound traffic, which limits the Authority's ability to render a decision in this matter.

Clearly, US LEC adopted the Intermedia Interconnection Agreement simply to circumvent negotiating with BellSouth on the reciprocal compensation issue and to avoid BellSouth's standard reciprocal compensation language. At the time it adopted the Intermedia Agreement, US LEC clearly understood that BellSouth was not agreeing, and had not agreed, to pay reciprocal compensation for ISP-bound traffic. For these reasons, US LEC is not entitled to the relief it seeks and the Authority should dismiss US LEC's Petition.

SPECIFIC RESPONSE TO ALLEGATIONS

BellSouth responds to the allegations in US LEC's Petition as follows:

INTRODUCTION

¹ US LEC has also adopted other interconnection agreements which are not the subject of this proceeding.

To the extent a response is required to the Introduction, the status of another Petition filed by US LEC relating to different interconnection agreements speaks for itself. US LEC's Petition in Docket No. 99-00567 was filed on August 6, 1999. US LEC conveniently fails to mention that the parties requested that the Authority hold the procedural schedule in abeyance, and it was not until very recently, on August 16, 2001, that US LEC requested that the Authority establish a procedural schedule. BellSouth admits that the referenced Interconnection Agreements were executed and approved by the Authority as indicated in the Introduction. BellSouth denies the remaining allegations in the Introduction.

PARTIES AND JURISDICTION

1. BellSouth admits that it is a local exchange carrier authorized to provide local exchange service in Tennessee. Upon information and belief, BellSouth believes that US LEC is authorized to provide local exchange service in Tennessee.

2. BellSouth admits that the Authority has general jurisdiction to interpret and enforce interconnection agreements that have been approved by the Authority. However, BellSouth denies that the Authority has jurisdiction over ISP traffic because such traffic is interstate in nature, the jurisdiction of which is vested with the Federal Communications Commission ("FCC"). BellSouth denies the remaining allegations in ¶2.

3. BellSouth admits that the Authority has general jurisdiction to interpret and enforce interconnection agreements that have been approved by the Authority.

However, BellSouth denies that the Authority has jurisdiction over ISP traffic because such traffic is interstate in nature, the jurisdiction of which is vested with the FCC. With respect to the state statutory provisions cited in ¶3, BellSouth asserts that the referenced statutes speak for themselves.

4. BellSouth admits that US LEC and BellSouth have signed interconnection agreements which were approved by the Authority pursuant to § 252(e) of the Federal Telecommunications Act of 1996. Thus, any interpretation of the agreements must be consistent with federal law. BellSouth asserts that the Authority's Order in the Brooks Fiber case speaks for itself.

5. BellSouth admits that the TRA has stated that it has the authority to enforce the interconnection agreements that it approves. However, BellSouth denies that the Authority has jurisdiction over ISP traffic because such traffic is interstate in nature, the jurisdiction of which is vested with the FCC.

6. BellSouth asserts that the FCC orders referenced by US LEC in ¶5 speak for themselves. BellSouth denies the remaining allegations in ¶5 and specifically denies that US LEC's characterization of ¶82 of the FCC's ISP Remand Order is accurate or complete.²

7. No response is required to ¶6.

² Order on Remand and Report and Order, *Implementation of the Local Compensation Provisions in the Telecommunications Act of 1996; Intercarrier Compensation for ISP-Bound Traffic*, FCC 01-131, CC Docket Nos. 96-98 & 99-68 (rel. Apr. 27, 2001)

ADOPTION OF THE US LEC AGREEMENT

1. BellSouth admits that it entered into an adoption agreement dated June 30, 1999. BellSouth asserts that the terms of the US LEC Agreement speak for themselves.

2. BellSouth admits the allegations of ¶2 to the effect that the US LEC Agreement expired by its terms on December 31, 1999.

THE TERMS OF THE US LEC AGREEMENT

1. BellSouth asserts that the terms of the agreement speak for themselves.

2. BellSouth asserts that the terms of the agreement speak for themselves.

3. BellSouth asserts that the terms of the agreement speak for themselves.

4. BellSouth asserts that the terms of the agreement speak for themselves.

5. BellSouth asserts that the terms of the agreement speak for themselves.

6. BellSouth admits that Attachment B-1 to the Third Agreement includes a tandem switching rate for Tennessee of \$.01954 per minute of use. BellSouth denies that this rate has any applicability to this Petition.

7. BellSouth admits that the parties agreed to a Multiple Tandem Access Amendment ("MTA Amendment") dated June 3, 1998. BellSouth asserts that the terms of the amendment speak for themselves.

8. BellSouth asserts that the terms of the MTA Amendment speak for themselves. BellSouth denies the remaining allegations in ¶8.

9. BellSouth denies the allegations in ¶ 9.

THE DISPUTE

1. BellSouth is without knowledge or information sufficient to form a belief as to the truth of the assertions regarding US LEC's switches in Tennessee, and therefore denies those assertions.

2. BellSouth denies the allegations in ¶2.

3. BellSouth denies the allegations in ¶3.

4. BellSouth denies the allegations in ¶4.

5. BellSouth denies the allegations in ¶5.

6. BellSouth denies the allegations in ¶6.

7. BellSouth denies the allegations in ¶7.

8. BellSouth denies the allegations in ¶8.

9. BellSouth denies the allegations in ¶9.

THE TRA'S EARLIER POSITION ON RECIPROCAL COMPENSATION

1. BellSouth asserts that the terms of the Authority's Order in the Brooks Fiber case speak for themselves. By way of further response, BellSouth states that

US LEC's Petition raises new issues not present in the Brooks Fiber case, including claims with respect to MTA and Tandem Switching rates.

2. BellSouth asserts that terms of the Authority's Order in the Hyperion case speak for themselves. By way of further response, BellSouth states that US LEC's Petition raises new issues not present in the Hyperion case, including allegations with respect to MTA and Tandem Switching rates.

3. In response to the second paragraph number 1, BellSouth asserts that terms of the Authority's Order in the Hyperion case speak for themselves. By way of further response, BellSouth states that US LEC's Petition raises new issues not present in the Hyperion complaint case, including allegations with respect to MTA and Tandem Switching rates.

4. In response to the second paragraph number 2, BellSouth asserts that terms of the Authority's Order in these cases speak for themselves. By way of further response, BellSouth states that US LEC's Petition raises new issues not present in the complaint cases, including allegations with respect to MTA and Tandem Switching rates. BellSouth denies the remaining allegations in the second paragraph number 2.

UNDER SECTION 252(i) OF THE ACT, THE CONTRACTUAL TERMS ARE
TO BE DETERMINED BY THE INTENT OF THE PARTIES

1. BellSouth asserts that the Authority Orders referenced by US LEC in ¶1 speak for themselves. BellSouth denies the remaining allegations in ¶1.

2. In response to the second paragraph number 1, BellSouth admits that US LEC adopted the Intermedia agreement. BellSouth denies the remaining allegations in ¶1.

3. BellSouth asserts that the Public Service Commission ruling referenced by US LEC in ¶2 speaks for itself. BellSouth denies the remaining allegations in ¶2.

4. In response to the third paragraph number 1, BellSouth denies the allegations.

OTHER COMMISSIONS ALREADY HAVE INTERPRETED
THE INTERMEDIA AGREEMENT

1. BellSouth asserts that the Public Service Commission rulings referenced by US LEC in ¶1 speak for themselves. By way of further response, BellSouth asserts that the referenced ruling was made prior to issuance of the FCC's ISP Remand Order.

2. In response to the second paragraph number 1, BellSouth asserts that the Public Service Commission ruling referenced by US LEC in ¶1 speaks for itself. By way of further response, BellSouth asserts that the referenced ruling was made prior to issuance of the FCC's ISP Remand Order.

3. BellSouth asserts that the Public Service Commission ruling referenced by US LEC in ¶2 speaks for itself. By way of further response, BellSouth asserts that the referenced ruling was made prior to issuance of the FCC's ISP Remand Order.

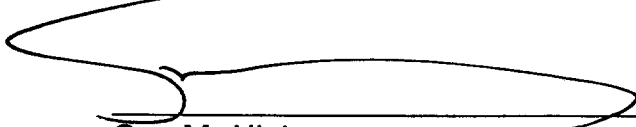
4. BellSouth denies the allegations in ¶3.

REQUEST FOR RELIEF

1. BellSouth denies that US LEC is entitled to the relief it seeks.
2. Any allegation contained herein not specifically admitted is hereby deemed to be denied.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

A handwritten signature in black ink, appearing to read "Guy M. Hicks", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that on September 6, 2001, a copy of the foregoing document was served on the parties of record, via the method indicated:

☐ Hand

☐ Mail

☒ Facsimile

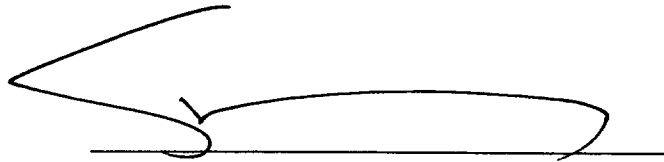
☒ Overnight

Henry Walker, Esquire

Boult, Cummings, et al.

P. O. Box 198062

Nashville, TN 37219-8062

A handwritten signature in black ink, appearing to be "H. Walker", written over a horizontal line.